

# O'HANLON, MCCOLLOM & DEMERATH

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CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

March 21, 2017

Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Application to the Borden County Independent School District from Fluvanna  
Wind Energy 2, LLC  
(First Qualifying Year 2018, First Value Limitation Year 2019)

To the Local Government Assistance & Economic Analysis Division:

Please find attached Amendment 1 to Application 1175 from Fluvanna Wind Energy 2, LLC to the Borden County Independent School District prepared in response to the deficiency letter dated February 27, 2017. The following items have been amended in the attached materials:

Item 1:

Tabs 7 and 8 have been modified to indicate that only the three miles of transmission line located within the boundaries of the District will be qualified property. The transmission line continues outside the District boundaries to a substation. That property is not included in the application. Tab 4 was not modified.

Item 2:

Schedule C has been updated.

Item 3:

Page 5 has been updated. The applicant had indicated that the project was beyond the district boundaries because the transmission line continued outside the boundary; however, only the property within the boundaries is considered part of the application.

Item 4:

The Schedules have been updated.

Letter to Local Government Assistance & Economic Analysis Division

March 21, 2017

Page 2 of 2

A copy of the amended application will be submitted to the Borden County Appraisal District.

Sincerely,

A handwritten signature in black ink, appearing to read "K. O'Hanlon", with a stylized flourish at the end.

Kevin O'Hanlon  
School District Consultant

Cc: Borden County Appraisal District  
Fluvanna Wind Energy 2, LLC

## Application for Appraised Value Limitation on Qualified Property

Economic Development  
and Analysis  
Form 50-296-A

## SECTION 9: Projected Timeline

- Application approval by school board ..... May 2017
2. Commencement of construction ..... September 2017
3. Beginning of qualifying time period ..... May 2017
4. First year of limitation ..... 2019
5. Begin hiring new employees ..... July 2018
6. Commencement of commercial operations ..... October 2018
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ..... ☒ Yes ☐ No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? ..... October 2018

## SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located ..... Borden County, TX (100%)
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property ..... Borden County CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ..... ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
- |   |   |
|---|---|
| County: <u>Borden County: \$0.7175 (100%)</u><br>(Name, tax rate and percent of project)                      | City: <u>N/A</u><br>(Name, tax rate and percent of project)             |
| Hospital District: <u>N/A</u><br>(Name, tax rate and percent of project)                                      | Water District: <u>N/A</u><br>(Name, tax rate and percent of project)   |
| Other (describe): <u>Borden ISD(100%): \$1.32 (\$0.28 I&amp;S)</u><br>(Name, tax rate and percent of project) | Other (describe): <u>N/A</u><br>(Name, tax rate and percent of project) |
5. Is the project located entirely within the ISD listed in Section 1? ..... ☒ Yes ☐ No
- 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ..... ☐ Yes ☒ No
- 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

## SECTION 11: Investment

**NOTE:** The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at [www.texasahead.org/tax\\_programs/chapter313/](http://www.texasahead.org/tax_programs/chapter313/).

1. At the time of application, what is the estimated minimum qualified investment required for this school district? ..... 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? ..... 30,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ..... ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
- a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
  - a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
  - a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ..... ☒ Yes ☐ No



TAB 7

**DESCRIPTION OF QUALIFIED INVESTMENT**

*A specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code 313.021 (Tab 7).<sup>9</sup>*

*A description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (Tab 7).<sup>10</sup>*

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Fluvanna Wind Energy 2, LLC plans to construct an estimated 120 to 150 MW wind farm located within Borden County ISD in Borden County, Texas. All the Qualified Investment for this Project will be located within Borden County ISD.

The intended qualified investment includes wind turbines, foundations, collection systems, approximately 3 miles of 138kV transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance building, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 2.0 to 3.0 MW turbines without excluding larger ones. Although final turbine selection and location of the infrastructure may change, the equipment outlined above is expected to be located within Borden County ISD. Current plans are to install between 38 and 65 turbines in one phase.

The exact placement of turbines is subject to ongoing planning, wind studies, engineering, and discussions with landowners and turbine manufacturers. The final number and location of turbines and supporting structures will be determined before construction begins. Fluvanna Wind Energy 2, LLC intends to connect to a third-party interconnection facility located 3 miles to the east in Scurry County via a 138kV transmission line. That third-party interconnection facility will eventually connect to the ERCOT Dermott Substation. All the infrastructure will remain within the project boundary and within the Reinvestment Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

The 3 miles of interconnection line listed above are located wholly within the Borden County ISD. It will be used to connect to an existing transmission line connected to a third party interconnection facility located 3 miles east in Scurry County.

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<sup>9</sup> Form 50-296-A, § 11.4.a

<sup>10</sup> Form 50-296-A, § 11.4.b Attachment to Application for Chapter 313 Appraised Value Limitation  
by Fluvanna Wind Energy, LLC to Snyder ISD

TAB 8

*DESCRIPTION OF QUALIFIED PROPERTY*

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Fluvanna Wind Energy 2, LLC plans to construct an estimated 120 to 150 MW wind farm located within Borden County ISD in Borden County, Texas. All the Qualified Property for this Project will be located within Borden County ISD.

The intended Qualified Property includes wind turbines, foundations, collection systems, approximately 3 miles of 138kV transmission lines and interconnection infrastructure, additional meteorological towers, roads, operations and maintenance building, spare parts, and control systems necessary for commercial generation of electricity.

For purposes of this application, the Project anticipates using 2.0 to 3.0 MW turbines without excluding larger ones. Although final turbine selection and location of the infrastructure may change, the equipment outlined above is expected to be located within Borden County ISD. Current plans are to install between 38 and 65 turbines in one phase.

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March 21, 2017

Revised Feb 2014

Applicant Name Fluvanna Wind Energy 2, LLC  
 ISD Name Borden County ISD

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) <b>intangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year <b>in buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2017-2018	2017	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				\$ 3,500,000.00	\$ -	\$ -	\$ -	\$ 3,500,000.00
Complete tax years of qualifying time period	QTP1	2018-2019	2018	\$157,570,000	\$ -	\$ -	\$ -	\$ 157,570,000.00
Complete tax years of qualifying time period	QTP2	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 161,070,000.00	\$ -	\$ -	\$ -	\$ 161,070,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 161,070,000.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

March 21, 2017

Revised Feb 2014

Applicant Name Fluvanna Wind Energy 2, LLC  
 ISD Name Borden County ISD

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (in actual tax year YYYY)	New investment (original cost) <b>intangible personal property</b> placed in service during this year that will become Qualified Property	New investment made during this year in <b>buildings or permanent nonremovable components of buildings</b> that will become Qualified Property	Other investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		\$161,070,000	\$ -		\$ -	\$ 161,070,000.00
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2016-2017	2016				\$ -	\$ -
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$ 3,500,000.00			\$ -	\$ 3,500,000.00
Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$157,570,000	\$ -			\$ 157,570,000.00
Value limitation period***	1	2019-2020	2019					
	2	2020-2021	2020					
	3	2021-2022	2021					
	4	2022-2023	2022					
	5	2023-2024	2023					
	6	2024-2025	2024					
	7	2025-2026	2025					
	8	2026-2027	2026					
	9	2027-2028	2027					
	10	2028-2029	2028					
Total Investment made through limitation				\$ 161,070,000.00	\$ -	\$ -	\$ -	\$ 161,070,000.00
Continue to maintain viable presence	11	2029-2030	2029					
	12	2030-2031	2030					
	13	2031-2032	2031					
	14	2032-2033	2032					
	15	2033-2034	2033					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034					
	17	2035-2036	2035					
	18	2036-2037	2036					
	19	2037-2038	2037					
	20	2038-2039	2038					
	21	2039-2040	2039					
	22	2040-2041	2040					
	23	2041-2042	2041					
	24	2042-2043	2042					
	25	2043-2044	2043					

\* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

\*\* Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

\*\*\* If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.



Schedule C: Employment Information

Applicant Name Fluvanna Wind Energy 2, LLC  
ISD Name Borden County ISD

Form 50-296A

Revised Feb 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	150 FTE	\$ 52,364.00	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	95 FTE	\$ 52,364.00	N/A	0	N/A
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2019-2020	2019			0	4	\$ 58,000.00
	2	2020-2021	2020			0	4	\$ 58,000.00
	3	2021-2022	2021			0	4	\$ 58,000.00
	4	2022-2023	2022			0	4	\$ 58,000.00
	5	2023-2024	2023			0	4	\$ 58,000.00
	6	2024-2025	2024			0	4	\$ 58,000.00
	7	2025-2026	2025			0	4	\$ 58,000.00
	8	2026-2027	2026			0	4	\$ 58,000.00
	9	2027-2028	2027			0	4	\$ 58,000.00
	10	2028-2029	2028			0	4	\$ 58,000.00
Years Following Value Limitation Period	11 through 26	2028-2044	2028-2044			0	4	\$ 58,000.00

Notes: See TAC 9.1051 for definition of non-qualifying jobs.  
Only include jobs on the project site in this school district.

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs) ☒ Yes ☐ No

If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? ☒ Yes ☐ No

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No





## Application for Appraised Value Limitation on Qualified Property

### SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

#### 1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print  
here

Billy Collins  
Print Name (Authorized School District Representative)

3/21/2017  
Title

sign  
here

[Signature]  
Signature (Authorized School District Representative)

3/21/2017  
Date

#### 2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print  
here

Chris Jones  
Print Name (Authorized Company Representative (Applicant))

Manager  
Title

sign  
here

[Signature]  
Signature (Authorized Company Representative (Applicant))

03/07/2017  
Date

*I hereby confirm the authenticity of  
the signature of Mr. Chris Jones.  
The lawyer who certifies  
Athens, March 7, 2017*

GIVEN under my hand and seal of office this, the

\_\_\_\_ day of \_\_\_\_\_,

**DIMITRA CHAZZIARSENIOU**  
**LAWYER**

\_\_\_\_\_  
Notary Public in and for the State of Texas

85 MESSOGIOVALE AVENUE - GREECE 115 26  
TEL: +30 (210) 6968090 - FAX: +30 (210) 6968097

My Commission expires: \_\_\_\_\_

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.